


*Thanks
Frank* 

IN THE SENATE OF THE UNITED STATES

Mr. Tsongas introduced the following bill; which was read twice
and referred to the Committee on _____

A BILL

To authorize interstate banking among the New England States and
to require a report to the Congress concerning the use of the
authority conferred by this Act.

1 Be it enacted by the Senate and House of Representatives
2 of the United States of America in Congress assembled,

3 Section 1. This Act may be cited as the "New England
4 Interstate Banking Act of 1983".

5 Sec. 2. The first sentence of subsection (c) of section
6 5155 of the Revised Statutes (12 U.S.C. 36) is amended by
7 inserting before the period the following: "; and (3) in the
8 case of a national banking association the main office of
9 which is located in Massachusetts, Connecticut, Rhode Island,
10 Maine, Vermont, or New Hampshire, within any ^{of} such States in
11 which such establishment and operation are at the time
12 authorized to State banks by the statute law of ^{both} ~~the~~ State ^s by
13 language specifically granting such authority affirmatively
14 and not merely by implication or recognition, and subject to
15 any restriction as to location imposed by the laws of the
16 State ^s on State banks".

17 Sec. 3. Section 7 of the Bank Holding Company Act of 1956
18 (12 U.S.C. 1846) is amended by inserting "(a)" after "Sec.
19 7." and by adding at the end thereof the following:

20 "(b) In considering an application filed pursuant to

Sec. 2 is amended - -

(1) by striking out "and" before "(2)"; and
(2) "and, in the

1 section 3 of this Act, the Board shall give effect to any laws
 2 ^{which have been or may be} enacted by Massachusetts, Connecticut, Rhode Island, Maine,
 3 Vermont, or New Hampshire which permits a bank holding
 4 company whose banking operations are principally conducted in
 5 any ^{or} such States to acquire, directly or indirectly, any voting
 6 shares of, interest in, or all or substantially all of the
 7 assets of any additional bank located in any other of those
 8 States.''.
 9

10 Sec. 4. Section 5 (r) of the Home Owners' Loan Act of
 11 1933 (12 U.S.C. 1464 (r)) is amended by adding at the end
 12 thereof the following:

13 '(4) An association the home office of which is located
 14 in Massachusetts, Connecticut, Rhode Island, Maine, Vermont,
 15 or New Hampshire may establish and operate a branch in any ^{of}
 16 such State ^{in which} ~~in which~~ the establishment and operation of a
 17 branch by an out-of-State association ^{is} ~~is~~ authorized by
 18 statute in language specifically granting such authority
 19 affirmatively and not merely by implication or recognition,
 20 and subject to any restriction as to location imposed by the
 21 laws of the State on State associations.''.
 22

correct citation?

23 Sec. 5. Section 408 (e) (3) (B) of the National Housing
 24 Act (12 U.S.C. 1730a (e) (3) (B)) is amended by inserting
 25 before the period at the end thereof the following: ',
 26 except that the Corporation shall give effect to any law ⁵
 27 ^{which have been or may be} enacted by Massachusetts, Connecticut, Rhode Island, Maine,
 28 ^{the States of} Vermont, or New Hampshire which permits a savings and loan
 29 holding company whose operations are principally conducted in
 30 any ^{or} such States to acquire, directly or indirectly, any voting
 31 shares of, interest in, or all or substantially all of the
 32 assets of any additional association located in any other of
 33 those States''.

34 Sec. 6. Section 18 (d) of the Federal Deposit Insurance
 35 Act (12 U.S.C. 1828 (d)) is amended by adding at the end
 36 thereof the following:

1 “(3) In considering the application of any State
 2 nonmember bank whose main office is located in Massachusetts,
 3 Connecticut, Rhode Island, Maine, Vermont, or New Hampshire
 4 to establish a branch in any other of such States, the
 5 Corporation shall give effect to any law^{which have been or may be} enacted by such
 6 States under which the establishment and operation of a
 7 branch by an out-of-State non-member bank is authorized by
 8 statute in language specifically granting such authority
 9 affirmatively and not merely by implication or recognition
 10 and subject to the restrictions as to location imposed by the
 11 laws of the State ^{or} State non-member insured banks.”.

12 Sec. 9. (a) Effective upon the expiration of three years
 13 after the date of enactment of this Act--

14 (1) section 5155 (c) (3) of the Revised Statutes, as
 15 added by section 2 of this Act, is repealed;

16 (2) section 7 ^(b) of the Bank Holding Company Act of
 17 1956, as added by section 3 of this Act, is repealed;

18 (3) section 5 ^(m) (4) of the Home Owners' Loan Act of
 19 1933, as added by section 4 of this Act, is repealed;

20 (4) that part of section 408 (e) (3) of the National
 21 Housing Act which was added by section 5 of this Act is
 22 repealed; and

23 (5) section 18 (d) (3) of the Federal Deposit
 24 Insurance Act, as added by section 6 of this Act, is
 25 repealed.

26 (b) The repeal or termination by subsection (a) of any
 27 amendment made by this Act shall have no effect on any action
 28 taken or authorized while such amendment was in effect. Any
 29 bank or other institution the shares or assets of which are
 30 acquired in reliance upon the amendments made by this Act
 31 shall after repeal of the amendments made by this Act have
 32 the same powers with respect to the establishment of branch
 33 offices and merger or consolidation with other institutions,
 34 as it would have had its shares or assets not been so

← Add
 (6)
 and
 (7)
 to
 cover
 repeal of
 2 new
 sections

1 acquired. 10.

2 Sec. 8. (a) The President, in consultation with the
 3 Attorney General, the Secretary of the Treasury, the Board of
 4 Governors of the Federal Reserve System, the Comptroller of
 5 the Currency, and the Federal Deposit Insurance Corporation,
 6 shall transmit a report to the Congress concerning the
 7 effect, if any, that this Act has had on the financial,
 8 economic, and banking environment of Massachusetts,
 9 Connecticut, Rhode Island, Maine, Vermont, and New Hampshire
 10 and on particular banks and bank holding companies ^{and savings and loan} in those
 11 States. There shall be included in this report legislative
 12 recommendations as to whether the sunset provisions of
 13 section 4 should be allowed to take effect, ~~and any other~~
 14 ~~recommendations with respect to interstate banking that are~~
 15 ~~considered appropriate.~~

16 (b) The report required by subsection (a) shall be
 17 transmitted to the Congress no later than 2 years after the
 18 date of enactment of this Act.

Sec. 7 - Section 18(c)(5)

Commercial
 Bank Mergers
 and acquisitions
 Across state
 lines

Sec. 8 -

SSL Bank
 Mergers and
 acquisitions
 Across state
 lines

Section 7.

Section 18(c)(5) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)(5)) is amended--

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(2) by inserting "(A)" after "(5)"; and

(3) by adding at the end thereof the following:

"(B) In reviewing any merger transaction involving a bank whose main office is located in Massachusetts, Connecticut, Rhode Island, Maine, Vermont or New Hampshire, the responsible agency shall give effect to the laws of such States under which a merger transaction involving a bank from one State and a bank from another State is authorized by statute in language specifically granting such authority affirmatively and not merely by implication or recognition and subject to such restrictions as are imposed by the law of the statutes in question."

Section 8.

Section 5(d)(11) of the Home Owners' Loan Act of 1933 is amended by adding at the end thereof the following:

"In considering any reorganization or merger involving an association whose home office is located in Massachusetts, Connecticut, Rhode Island, Maine, Vermont, or New Hampshire, the Board shall give effect to the laws of such States under which a reorganization or merger involving an association from one State and an association or other financial institution from another State is authorized by statute in language specifically granting such authority affirmatively and not merely by implication or recognition and subject to such restrictions as are imposed by the law of the States in question."